

VZCZCXRO0867  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #7098/01 3550826  
ZNR UUUUU ZZH  
P 210826Z DEC 06  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 9306  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHMHBA/COMPACFLT PEARL HARBOR HI  
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//  
RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21//  
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/COMPATWING ONE KAMI SEYA JA  
RUEHNH/AMCONSUL NAHA 1750  
RUEHFK/AMCONSUL FUKUOKA 9267  
RUEHOK/AMCONSUL OSAKA KOBE 2705  
RUEHNAG/AMCONSUL NAGOYA 8789  
RUEHKSO/AMCONSUL SAPPORO 0291  
RUEHBJ/AMEMBASSY BEIJING 5268  
RUEHUL/AMEMBASSY SEOUL 1360  
RUCNDT/USMISSION USUN NEW YORK 2821

UNCLAS SECTION 01 OF 10 TOKYO 007098

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)  
SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12/21/06

INDEX:

- (1) Reform put in shade in Abe budget: Traditional negotiation method revived
- (2) Defense Agency's upgrading to ministry (Part 2): SDF tasked with expanded overseas missions
- (3) Interview with Atsushi Kusano, political scientist on the question of television's influence on politics; Viewers must realize how great an influence TV has on public opinion
- (4) New financial services by privatized postal companies to begin in three steps: Privatization panel's policy; Offering personal loans to be approved before they are listed
- (5) Precondition for pension reform plan crumbling with projected birthrate revised
- (6) LDP to submit bill to next regular Diet session proposing lifting ban on distribution of handouts in election campaigning for local government heads
- (7) Why doesn't child population increase in Japan? Birthrate likely to stay at 1.26 even in 2055

ARTICLES:

- (1) Reform put in shade in Abe budget: Traditional negotiation method revived

ASAHI (Page 2) (Excerpts)

December 21, 2006

The draft budget for fiscal 2007, the first compiled under the administration of Prime Minister Shinzo Abe, was unveiled yesterday. In the draft, fiscal deficits were reduced in single fiscal year terms, but policy-related outlays were boosted for the first time in three years with an eye on the Upper House election next summer. The government was able to catch two birds with one stone thanks to a tax revenue increases that were more than anticipated, due to thriving corporate performances. However, there have been only few occasions in which the prime minister displayed his leadership, as he gave only vague orders. Instead, bureaucrats and the ruling camp were visibly exercising their restored power. Compared with the compilation of the first budget compiled by former Prime Minister Koizumi, who drastically axed expenditures despite a fierce backlash, any reform initiative was apparently put into the background in the Abe budget.

Finance Minister Omi on Dec. 20 told a press conference, "There was concern over a possible backtracking on reform, but we were able to carry through with a fiscal reform policy." However, he, as a member of a commerce and industry policy clique in the Diet, was in fact able to solidly increase expenses for science and technology promotion, his own bailiwick, and a budget for measures for mid- to small businesses.

Budgetary negotiations with the ruling parties and government agencies went smoothly. An estimated increase in tax revenues worth 7.6 trillion yen served as lubricant. Coordination of views regarding constraining social expenses by 220 billion yen and cutting public projects and official development assistance (ODA) were thorny issues, but it was not difficult to adopt these policies, since the Koizumi administration already incorporated

TOKYO 00007098 002 OF 010

these issues in the basic policy guidelines on economic and fiscal management and structural reforms for the fiscal 2006 national budget. Prime Minister Abe just faithfully observed the set guidelines.

Taking advantage of the prime minister giving no new orders, central government agencies revived the traditional method of adopting a cross between A and B. Some even tried to water down the basic policy guidelines.

Winding up the last budgetary negotiations with Omi, Education, Culture, Sports, Science and Technology Ibuki looked satisfied. That is because he made a successful deal of receiving subsidies for private schools equivalent to a 1 PERCENT cut in subsidies to private universities as set in the basic policy guidelines from an increased portion of the science and technology promotion budget.

Explaining changes occurred to the policy-making process since Abe came into office, a senior Finance Ministry official said, "Though the public may not like the way we settled our budgetary requests, it is democratic for Kasumigaseki (Japan's bureaucratic center).

Growing party pressure, bureaucratic pressure

The Finance Ministry unveiled the draft budget at a joint ruling party meeting on the morning of Dec. 20. The meeting ended in less than an hour with no opposition raised.

One senior LDP official proudly said, "Almost all proposals the ruling parties made have been adopted." A mid-ranking lawmaker revealed that calls on the Abe administration to compile a budget in a manner that was clearly different from that of Koizumi were strong in the LDP, which was suppressed as forces of resistance under the Koizumi administration. The way the budget was compiled this year was completely different from last year, as can be seen in the issue of revising the special-purpose road construction revenues -- construction of roads that are really necessary was allowed.

Behind the reinstatement of the ruling parties was the fact that Abe only gave orders that were in line with the arrangements made by bureaucrats in the budget compilation process.

Koizumi directed the budget compilation work, setting a target for new government bond issuances at around 30 trillion yen at an informal cabinet meeting on Nov. 15 last year. In contrast, it was not until the general framework of the budget was set on Dec. 11 that Abe referred to a specific margin of a cut in government bond issuances. However, he did not indicate any specific figure, just mentioning that the envisaged cut would be the largest to date.

Though the prime minister had insisted on additional appropriations for allowances for babies and infants, he gave only a vague order, making his aides worry. The Ministry of Health, Labor and Welfare (MHLW) at one time decided to give up on an increase in child allowances for the next fiscal year due to a funding shortfall. Surprised at the move, MHLW Minister Yanagisawa ordered working-level officials to include the proposal since the prime minister approved it when he was chief cabinet secretary. In the end, the MHLW secured a special fund for it for the next fiscal year only.

The New Komeito availed itself of the prime minister's vague stance. Regarding an increase in allowances for babies and infants,

TOKYO 00007098 003 OF 010

Secretary General Kazuo Kitagawa Party rushed to the Kantei and

SIPDIS

urged the prime minister to comply with the proposal. He thus played a role of a person who has greatly contributed for the realization of the increase in such allowances.

The plenary session of New Komeito lawmakers of both Diet chambers held on Dec. 19 exploded in exultation with the remark by Shozo Kusakawa, chairman of the New Komeito caucus in the House of Councilor: "Chiefs of the secretariats of many government agencies are well aware how much the New Komeito's opinions have been included in the fiscal 2007 budget. Budget Bureau officials of the Finance Ministry all said that we have gained power."

While the Kantei remains static, pressure from the ruling parties and bureaucracy appears to be increasingly mounting.

(2) Defense Agency's upgrading to ministry (Part 2): SDF tasked with expanded overseas missions

YOMIURI (Page 4) (Full)  
December 17, 2006

Early this month, former Joint Staff Council Chairman Adm. Tohru Ishikawa was watching the TV news reporting Diet deliberations on a package of legislative measures to upgrade the Defense Agency to the status of a ministry. At the time, Ishikawa recalled the Maritime Self-Defense Force's dispatch of minesweepers to the Persian Gulf on a seaborne demining mission in 1991.

"If we did it straight, we couldn't get the Diet's understanding," Ishikawa said. "We had to find out where the political hurdle was low," he added.

In the Diet, the opposition bench opposed the SDF's first overseas dispatch. In the ruling camp as well, there were negative and cautious arguments. At that point, Ishikawa exploited a provision of the Self-Defense Forces Law. It was "removing mines, etc.," a clause of Article 99 in Chapter 8 for "miscellaneous provisions." This law provision of minesweeping was the grounds for the MSDF dispatch.

The provision was initially intended for MSDF activities to be conducted in waters near Japan. However, it does not prohibit activities in the Middle East, which is far off from Japan. The MSDF dispatch to the Persian Gulf was almost like walking a tightrope with a down-to-the-wire way of reading the law.

Fifteen years later, the SDF is now working abroad on its missions, including its one-time dispatch to Cambodia and its current dispatch to the Golan Heights for United Nations peacekeeping operations. And now, the SDF is in Iraq to engage in humanitarian and reconstruction

assistance--the most dangerous and difficult mission the SDF has ever been on.

The SDF has steadily obtained actual results overseas. This fact is a valuable card for Japan on the diplomatic front.

Ishikawa is honest with himself: "Japan should be prepared to shed blood and sweat, and Japan will have to work for stability in the world in order to survive in the international community. We must make the United States think of Japan as an indispensable country that the United States should help. Otherwise, our alliance with the United States will collapse."

TOKYO 00007098 004 OF 010

The SDF has been tasked with overseas missions, such as international peace cooperation activities, overseas evacuation operations for Japanese nationals, and seaborne demining activities. Under the SDF law revised this time, these overseas activities, which used to be ancillary tasks, are now raised to the SDF's inherent and primary tasks. It is only natural to do so when viewed from what the SDF does on these missions, and it was too late to do so, one says.

Ground Self-Defense Force Recruiting Division Director Col. Junji Suzuki, who commanded the 6th Iraq Reconstruction Support Group, gave a directive to about 500 GSDF members before their dispatch to Iraq in April last year.

Suzuki told the Iraq-bound detachment of GSDF troops: "The primary purpose of our mission there is to help the Iraqi people. However, it's also important to build a relationship of mutual trust with the armed forces of the United States and other countries. That will lead to their extending a helping hand to Japan if and when something happened to Japan."

All SDF personnel are sworn in. They must sign a written oath upon their entry into service, vowing to endeavor to carry out their duties at the risk of their lives and meet public mandate.

SDF members express their preparedness to give their lives to Japan in the event of emergencies. This, however, is intended to protect Japan's peace and independence. Suzuki's directive was aimed at reminding those GSDF members of the purpose of their activities in Iraq before leaving for that country.

In connection with tasking the SDF with international peace cooperation as one of its inherent missions, Defense Agency Director General Kyuma, in his Diet reply, reiterated the necessity of creating a fact-finding team ready to go at once and a training unit based on the experience and knowledge of overseas activities.

What Kyuma had in mind was the Central Readiness Command (CRC), which will be launched in late March next year. The CRC will be headquartered at the GSDF's Nerima garrison in Tokyo and manned with about 3,300 troops. The CRC's International Activities Training Squadron--detached to the GSDF's Komakado garrison in Shizuoka Prefecture with about 80 personnel--is to be mainly made up of GSDF returnees from the Iraq mission. The training squadron will give experience-based lectures and other training sessions to GSDF members deployed across the nation. In late March 2008, the GSDF will form the Central Readiness Regiment (CRR) at its Utsunomiya garrison in Tochigi Prefecture with about 700 troops. The CRR is to be tasked with sending advance teams overseas for PKOs and other international peace cooperation activities.

There are also problems, however. The SDF, in its overseas activities, embarks on various missions in foreign lands with different climates and customs. When GSDF troops were deployed in Iraq for humanitarian and reconstruction assistance, there was much demand for electric power and water supply. However, the GSDF was not outfitted enough to meet that local demand. The GSDF purchased tropical combat suits and dust-tight goggles for severe heat and sandstorms in Iraq. It was also after the government decided on its SDF dispatch to Iraq.

"If we are supposed to be sent to countries mainly in Asia, for example, it's easy to prepare," a GSDF staff officer said. "But,"

TOKYO 00007098 005 OF 010

the officer added, "there's still no basic principle for now, so we'll have to make preparations as far as we can under our limited budget." So saying, this officer was already worried about how to become ready.

(3) Interview with Atsushi Kusano, political scientist on the question of television's influence on politics; Viewers must realize how great an influence TV has on public opinion

TOKYO SHIMBUN (Page 6) (Slightly abridged)  
December 19, 2006

Interviewer: Yoichi Toyoda, correspondent

Toyoda: Former Prime Minister Junichiro Koizumi established the pattern of answering questions by reporters before TV cameras every day. Prime Minister Shinzo Abe has taken over this system. How far do you think the transmission of such information shapes public opinion?

Kusano: It has considerable influence. With the appearance of politicians like Koizumi who are capable of taking advantage of the media, television in particular, relations between television and politicians are repeatedly before the public. After the inauguration of the Abe cabinet, TV has continued playing that role. Koizumi was exceptional, anyway. It is said that the media created the high approval rating for the Koizumi cabinet, but although that is a necessary condition, it is not a sufficient explanation. One commentator who was critical of the Koizumi reform drive said that Koizumi was a great actor. He was an actor, who took advantage of the media.

Toyoda: What were his unique points?

Kusano: He was a genius in being able to explain himself with his own words using short phrases and within a limited amount of time. When he handed the champion cup to grand sumo champion Takanohana in the summer tournament in May 2001, he told him, "You did your best while bearing the pain of your injury. I was moved by your efforts." There were few politicians who spoke so intuitively.

Toyoda: Do you think Abe can't hold a candle to Koizumi?

Kusano: Abe looks nicer than his predecessors and he speaks clearly. But he is not interesting since he is too serious. He is not an attractive politician. A TV staff member told me that whenever Mr. Abe appears on TV programs, audience rates drop. He is not a person who has been received favorably by the media. In that sense, he is inferior to his predecessor, who knew the essence of the media and attracted viewers.

Toyoda: Looking back on my own political reporting, newspapers cannot ignore politicians' remarks on TV talk shows, ever since the formation of the so-called YKK (trio made up of Taku Yamasaki, Koichi Kato and Koizumi). After that, Koizumi began to take advantage of the TV media. While serving as prime minister, he responded to questions from reporters twice a day. He allowed TV cameras to cover one of the two daily press conferences. What impact did that have on support rates of the Koizumi cabinet?

Kusano: Imprinted in the public's mind was the image of their leader always in contact with them in a friendly manner. He also made negative remarks from an international point of view. Such remarks

TOKYO 00007098 006 OF 010

worked well domestically, instead, indicating Mr. Koizumi's common touch. The so-called "Team Abe (aides and advisors to Abe)" has reduced contacts between Abe and reporters. They have agreed that it is not good for Abe to appear often on TV. He should have given an account of the readmission of postal rebels to the Liberal

Democratic Party (LDP) because the public wanted to hear his voice.

Toyoda: Are there possibilities for television to manipulate public opinion by fabrications?

Kusano: It is impossible to fabricate live programs, but it is possible to fabricate recorded programs by editing them to come out with a completely reverse message. Viewers therefore should be aware of such trickery and create their own "media literacy."

Toyoda: Isn't there the possibility of politics on TV being unable to come up with the necessary policies if it simply accommodates the wishes of the public?

Kusano: It is true that television has been inadequate when it comes to policy debate. Although broadcasting companies have devised ways of doing so, they have not necessarily been successful. When the time is up, the program will end. A program cannot be aired without footage. There are few policy debate programs with footage that can be concluded within a given time period. The pension issue is typical. On TV programs, such side issues as pension premium non-payments are often taken up for discussion, but there are no explanations on the basic pension issue. It is also a problem that once a program is aired, we cannot watch it again.

Toyoda: What are effects and problems of the Internet?

Kusano: According to a survey on how much time each day people spend surfing the Internet, watching TV and reading newspapers, the number of people relying on the Internet has steadily increased. I think Internet's influence over politics will surely grow. However, the problem of the Internet is that people can write in their views to blogs on an anonymous basis. If this problem is resolved, the Web site is a good place to exchange views. I wonder how many people have developed Internet etiquette. It is difficult to convey the nuance of one's view in a short sentence. Since the Internet is a part of the media that has its limits, it is problem to totally rely on it.

Atsushi Kusano was born in 1947 in Tokyo. He graduated from the law faculty of Keio University in 1971 and completed his Ph.D. at the University of Tokyo in 1982. He has been professor at Keio University since 1992, after serving as a visiting professor at Princeton University. His published books include, "Can TV change politics?"

(4) New financial services by privatized postal companies to begin in three steps: Privatization panel's policy; Offering personal loans to be approved before they are listed

NIHON KEIZAI (Page 1) (Full)  
Evening, December 21, 2006

The government's Postal Services Privatization Committee, tasked with monitoring the postal privatization process, yesterday decided to approve new postal services to be extended by the privatized postal services companies in three steps - first shortly after privatization, then before they are listed, and finally after they

TOKYO 00007098 007 OF 010

are listed. The plan is to allow the privatized companies to manage their funds in wider areas, starting shortly after privatization next October, and to provide financial services, such as mortgages, to individual customers, before they are listed, a process that will take place in fiscal 2011. Offering loans to companies will not be allowed until they are listed. Following the proposals, Japan Post will get down to drafting specific business programs.

The financial services industry will likely heighten their criticism of the giant privatized companies diversifying their operations, saying that they are squeezing the operations of private companies.

The privatization panel will discuss these issues at a meeting to be held this afternoon. It will then release its view of survey results and deliberations on new services to be provided by the privatized companies. Though its view is not to be used to determine the

propriety of new services that postal savings bank and Kampo life Insurance wish to offer, once these businesses are launched after privatization, the panel will indicate the priority order.

Regarding the timing for allowing the privatized companies into new business areas, whether approval should be given before or after they are listed will be determined, based on the notion of whether the discipline of the stock market will work or not. Loan transactions with companies will not be allowed before the listing, because there is concern that the wishes of the government, essentially a major stockholder of the privatized companies, could be reflected in their actions, distorting market competition.

In the meantime, the privatized companies before they are listed will be allowed to deal with commodities whose interest rates are determined by market competition. The panel appears to have such commodities as mortgages, credit cards and foreign currency savings. The view will include the panel's stance of further strengthening the forte of postal services in order to encourage the privatized companies to provide financial services to individual customers. At present, postal funds are allowed to be invested in government bonds, etc. Approval to invest such funds in stocks and the like will likely come shortly after privatization.

(5) Precondition for pension reform plan crumbling with projected birthrate revised

TOKYO SHIMBUN (Page 2) (Full)  
December 21, 2006

In a report on projected future population released yesterday by the National Institute of Population and Social Security Research, the future birthrate was lowered by about 10 percent from 1.39 to 1.26. This means that a precondition for the 2004 pension reform plan has completely crumbled. The Ministry of Health, Labor and Welfare (MHLW) intends to announce the provisional estimates of financial resources to fund the pension programs late January of next year, but a ministry official said, "Considerably severe projections are likely to come out," in terms of the level of benefits and other conditions."

The pension reform program in 2004 included these two key measures: (1) The insurance premium for the employees' pension should be raised to 18.30 percent of monthly income and the national pension premium to 16,900 yen by FY2005 and fix the rates afterward; and (2) the monthly payment of the employees' pension benefit should be secured at 50 percent of the average monthly net wage for the

TOKYO 00007098 008 OF 010

standard model (of a husband who worked for more than 40 years and a full-time homemaker wife) in 2011 and after.

The MHLW plans to issue a re-estimation report early next year. In it, the ministry intends to leave the current maximum premium rate unchanged but recalculate the impact on the monthly payment of benefit. The ministry will assume various cases, focusing on future rises in wages and commodity prices, and changes in yields on the pension funds. It then will release the results of its study afterward.

Liberal Democratic Party Policy Research Council Chairman Shoichi Nakagawa told reporters at party headquarters yesterday: "The basic systemic design presented to the public by the government and the ruling coalition will remain unchanged." The government trumpeted (in 2004) that "pension payments will be secured for 100 years under the reformed system," but the monthly payment of benefit could fall below the 50 percent line.

In actuality, the pension reform in 2004 projects that if the birthrate stays at 1.10, the monthly benefit payment would plummet to 46.4 percent. With the revision of future population downward, the situation moved one step closer to this pessimistic scenario.

Prime Minister Abe told reporters yesterday, "This is certainly a severe figure, but various factors, such as economic growth, will be reflected in determining the amount of pension payments. The pension

system will not collapse." MHLW Minister Hakuo Yanagisawa also said, "We would like to make utmost efforts so that the government will be able to respond to young couples' desires to have children.

The government has decided to reform the pension programs every five years in principle. The public hates to see the pension premium raised and the payment of benefit lowered each time. The government is urged to present a clear-cut design to ensure the "100-year security" slogan at an early date.

(6) LDP to submit bill to next regular Diet session proposing lifting ban on distribution of handouts in election campaigning for local government heads

TOKYO SHIMBUN (Page 2) (Full)  
December 21, 2006

The Liberal Democratic Party's Research Commission on the Election System yesterday outlined a bill amending the Public Offices Election Law to enable a manifesto (policy platform), which includes numerical targets or fiscal resources, to be distributed in election campaigning for the heads of local governments. After Chairman Kunio Hatoyama determines the details through coordination, the ruling party will present the bill at the outset of the regular Diet session to be convened in January. In the nationwide unified elections next spring, candidates for local government heads are likely to distribute the party's manifesto without any restrictions in election campaigning.

The amendment bill proposes lifting a ban on distributing flyers in government-head election campaigning. The maximum number of such handouts will be set at 100,000 to 300,000 in the case of prefectural gubernatorial elections, 16,000 for mayoral elections, and 5,000 in elections for town or village heads.'

The LDP also proposes deregulating the distribution of handouts in

TOKYO 00007098 009 OF 010

national election campaigning. Under the current rules, candidates are allowed to place their handouts only in their election campaign offices or the halls used to deliver campaign speeches. But the amendment bill will allow handouts to be placed in each small constituency in House of Representatives elections and in up to 300 locations across the nation. The New Komeito has agreed to remove the ban for elections for local government heads, but it is also calling for enabling handouts to be distributed on the occasion of street speeches.

(7) Why doesn't child population increase in Japan? Birthrate likely to stay at 1.26 even in 2055

MAINICHI (Page 2) (Full)  
December 21, 2006

Keishi Yoshida, Setuko Ogawa

The birthrate in Japan will not recover even in the future. The National Institute of Population and Social Security Research (NIPSSR) yesterday announced that the total fertility rate in 2055 would remain at 1.26, which is the same as the actual lowest rate registered in 2005. Why have the government's measures to stop the falling birthrate failed to achieve good results? If the trend continues as is, what will happen to our pension program?

Poor countermeasures

The government began adopting a serious stance against the declining birthrate in 1990. The trigger was when Japan's total fertility rate dropped to a record low of 1.57 in 1989. Under the "angel plan" worked out in 1994 and the "new angel plan" in 1999, the government established systems to assist men and women balance career and child-raising. In 2002, the government began reviewing the previous working patterns involving both men and women, under the program "measures against decline birthrate plus one." It appears that the government has been working hard to hammer out measures in rapid succession.



But, compared to the measures taken by other industrialized nations, Japan's are minimal and of poor quality.

According to Hidehiko Fujii, director of the Japan Research Institute's Business Strategy Research Center, stepping up job assistance and reducing the burdens of child-rearing and education are two key factors that would push up the birthrate. But the government's outlays for those two measures in terms of GDP were both well below the averages of the OECD member nations, in fact, near the bottom.

In fiscal 2005, Japan's budget for measures against decline birthrate was 1.3 trillion yen or merely 0.3 percent of GDP, but advanced nations in Europe spent several times as much as Japan. Fujii insists that it is necessary to dramatically increase that budget so that it will be spent mainly for those two key factors. "Child-rearing continues until children reach 20 or so. During this period, the government needs to ensure that the parents are employed and can support most of their education costs," Fujii asserts.

Take a look at the fiscal 2007 budget. The centerpiece of the measures against decline birthrate is to increase the child allowance in consideration of infants, but the increase is only by a mere 5,000 yen. Referring to that, a senior Health Ministry official

TOKYO 00007098 010 OF 010

said self-mockingly: "It's such a poor policy that is seen by most officials in charge as something 'meaningless.'"

Lying behind surge in unmarried population is difficulties in balancing career and child-rearing

One reason for revising the birthrate downward was a review of the lifetime unmarried rate. The unmarried rate of women born in 1990 is predicted to reach 23.5 percent, a sharp rise. This figure means one in four women will not marry at all; this is four times the rate of 5.8 percent of women born in 1955.

The data to back up the prediction are a birth trends survey conducted by the NIPSSR. According to it, the average number of children per couple with 15 years of marriage was 2.09 (in 2005), almost the same as the 2.20 registered in 1972. By contrast, the ratio of women aged 15-49 who have not given birth rose to 38 percent in 2005 from the 6 percent in 1970. In other words, if women get married, they will give birth to at least two children.

As the reasons why women remain unmarried, Shigesato Takahashi, vice president of the NIPSSR, cites: (1) increased demand for unmarried woman in the labor force; (2) a rise in the number of nonregular workers among the younger generation; and (3) difficulties in striking a balance between career and a married life. He points out:

"The past measures against a declining birthrate were focused on domestic matters, such as childbirth and child-care, and neglected the way people work. But now, it's time to reconsider from the bottom up the way people work, for this factor seems to have blocked women from getting married even though they may want to do so. Industries are also required to have a long-term perspective of the Japanese labor force, envisioning the future of our nation, instead of prioritizing immediate gains over a span of five or 10 years; otherwise, the declining number of births will not abate."

DONOVAN